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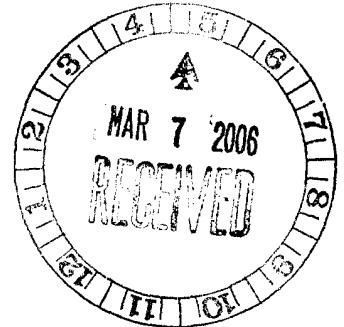
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March 7, 2006

ENTERED
Office of Proceedings

MAR - 7 2006

Part of
Public Record



Honorable Vernon A. Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: STB Finance Docket No. 34813, *New York New Jersey Rail LLC and New York Cross Harbor Railroad Terminal Corp. - Transaction within a Corporate Family*

Dear Sir:

The City of New York ("NYC") and the New York City Economic Development Corporation ("NYCEDC") (collectively, the "City Parties") are reluctant to engage in a war of letter-writing attrition in this proceeding, having already explained in pleadings submitted in due course in accordance with the Board's procedural rules the reasons why their request to continue holding this proceeding in abeyance should be granted. However, the letter submitted by Petitioners on March 2, 2006 includes a statement that, if left unrefuted, could give this Board the impression that the NYC Vendex review process is a lengthy one that could prevent the Petitioners from consummating the transaction that is the subject of the notice here.

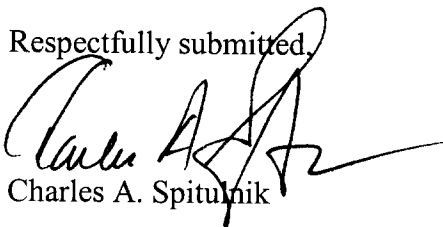
In their letter, Petitioners state that a Vendex application submitted by New York Cross Harbor Terminal Railroad Corp. ("NYCH") has not been acted on for two years. They use that as a basis for concluding that the process is an open-ended one that could prevent Petitioners from ever concluding their transaction. Petitioners fail to note, however, that the reason there has been no decision on the previous application is that NYCH has never responded to inquiries from NYC requesting information about all principals of the company, not just those about whom NYCH elected to provide the required information, and because tax arrearages have not (even though two years have elapsed) been addressed.

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The City Parties remain concerned that approval of the proposed transaction by this Board will permit the Petitioners to continue to ignore the requirements of the NYC contracting procedures. Until that process is complete, NYC will not be able to make a determination as to whether to consent to the assignment of the Permit. The City Parties therefore ask this Board to issue an order holding this proceeding in abeyance until the Petitioners have complied in all respects with the required procedures which will provide NYC with an opportunity to protect its rights under the Permit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charles A. Spitulnik", with a long horizontal flourish extending to the right.

Charles A. Spitulnik

cc: All Parties of Record